



# **TTAB 2007 Update:** *Rules, Rulings, and Repercussions*

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# "Precedential" *vel non*?

- Following the Supreme Court's lead for federal appellate courts, the TTAB announced in January 2007 that all of its decisions may be cited to the Board, but only those marked "precedential" will have binding effect on the Board.

# Old/New Terminology

**THIS OPINION IS CITABLE  
AS PRECEDENT OF THE  
TTAB**

Before

**THIS OPINION IS NOT CITABLE  
AS PRECEDENT OF  
THE T.T.A.B.**

**THIS OPINION  
IS A PRECEDENT  
OF THE T.T.A.B.**

After

**THIS OPINION IS NOT A  
PRECEDENT OF THE TTAB**

# TTAB Notice

- The TTAB will continue its current practice of designating all final decisions as either precedential or not precedential. \*\*\*
- The TTAB will continue its practice of considering precedential decisions as binding upon the TTAB.
- A decision designated as not precedential is not binding upon the TTAB but may be cited for whatever persuasive value it might have.

# Practitioners Pressed for More Citables



# 2006 "Citables"

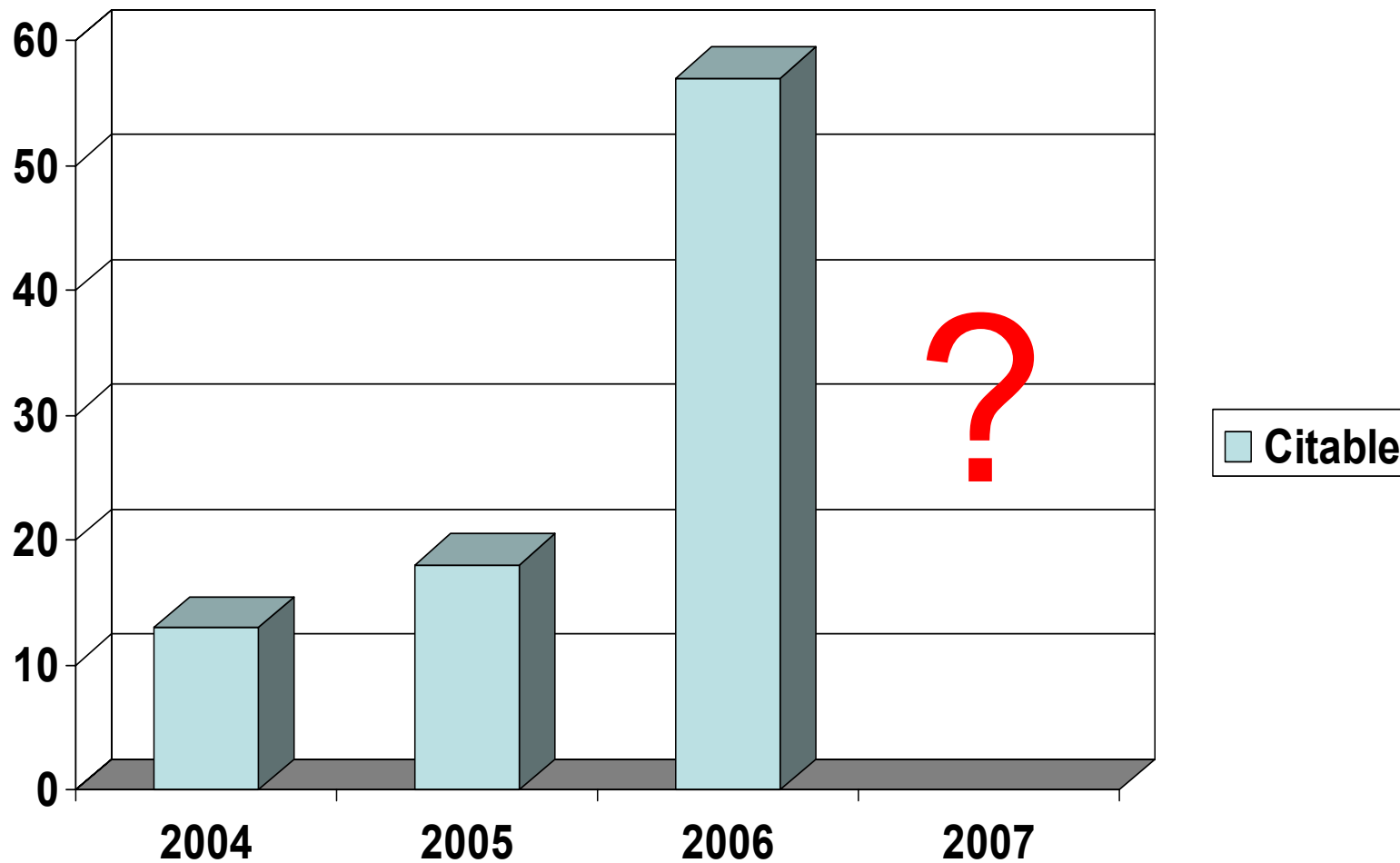


United States Patent and Trademark Office  
PERFORMANCE AND ACCOUNTABILITY REPORT  
FISCAL YEAR 2006



- The Board issued 57 precedential decisions in 2006, as compared to 18 in 2005 and 13 in 2004.

# 2007 Tally?



# 2007 Tally?

- Thus far in 2007, the Board has issued 64 precedential rulings – a pace that would yield about 70 precedentials for the year.
- Substantive Impact? Probably not much. Many of the decisions are fact-dependent and the particular factual scenario is unlikely to be replicated.



# New TTAB Rules



**Judge Gerard F. Rogers, Chief Judge J. David Sams**

# Principal Rule Changes

- Direct Service of Initial Pleadings (Why?)
- Standard Protective Order (When?)
- Voluntary Disclosure (What?)
  - Discovery Conference Requirement.
  - Initial Disclosure Requirement.
  - Expert Testimony Disclosure.
  - Pretrial Disclosure.

# Discovery Conference!

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- Either party may request participation by Board employee.
- Likely to be the interlocutory attorney assigned to the case.
- Key issue: whether to ask for Board participation and what to do if it happens.

# Pleaded Registrations?

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- How do you get a pleaded registration (that is not the subject of the proceeding) into evidence?
- Amended Rule 2.122(d)(1) makes it a bit easier, but *only* for cases commenced *on or after* August 31, 2007.

# Pleaded Registrations (cont).

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- Old Rule 2.122(d):
- 2 status-and-title copies attached to initial pleading; or
- Copies submitted with testimony as to ownership and status; or
- Status-and-title copy submitted with notice of reliance.

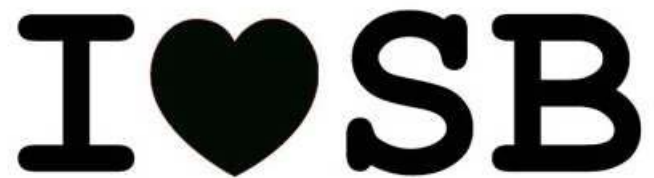
# I ♥ New York (1)

- *New York State Dept. of Economic Development v. Stewart.*
- No testimony.
- Mere photocopies with notice of reliance.
- Board ruled: no priority.



# I ♥ New York (2)

- *New York State Dept. of Economic Development v. I Love Santa Barbara, Inc.*
- No testimony.
- Mere photocopies with notice of reliance.
- Board ruled: no standing, no priority.



# Monster Mistake

- *Monster Cable Prods., Inc. v. Euroflex S.R.L.*

monster

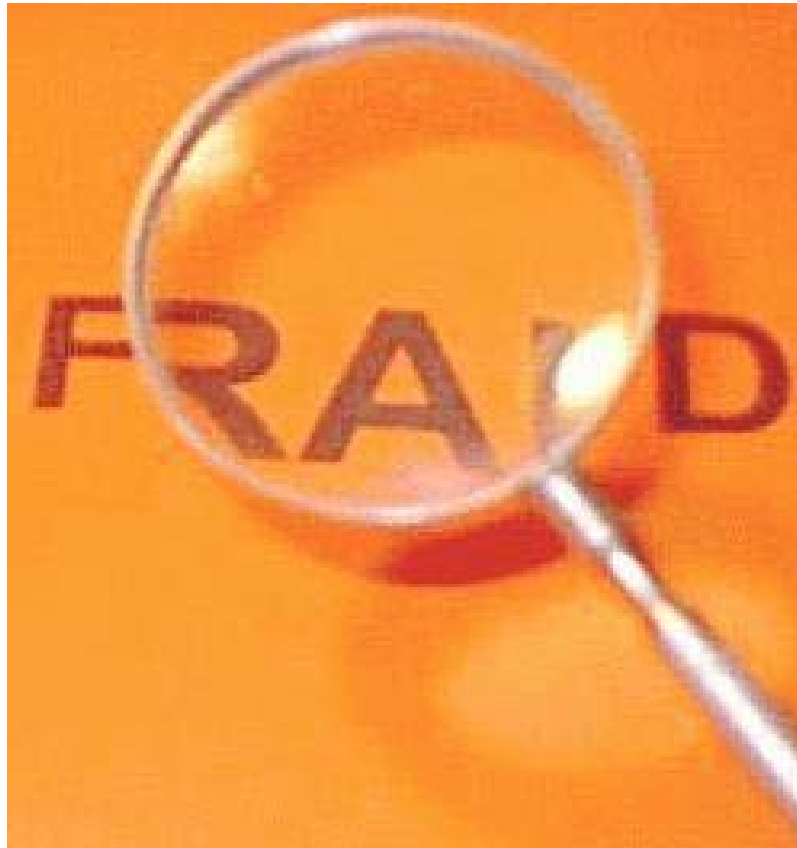
- 50 registrations, none in evidence.
- Plain copies submitted as testimony exhibits; testimony identified marks and confirmed current use, but *no testimony as to ownership or status.*



# Revised Rule 2.122(d)(1)

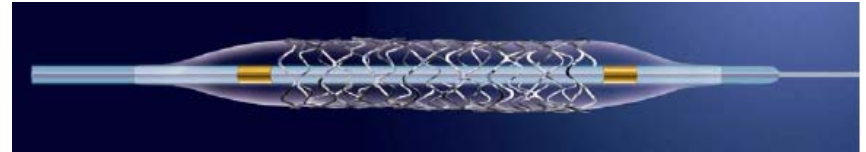
- Photocopies from TARR and assignment databases may be used, *or one* status-and-title copy with initial pleading.
- What about summary judgment and/or notice of reliance?
- Will these mistakes continue? Probably. 17

# Focusing on Fraud



# *Medinol v. Neuro Vasx (2003)*

NEURO VASX  
registered for **stents**  
**and** catheters.

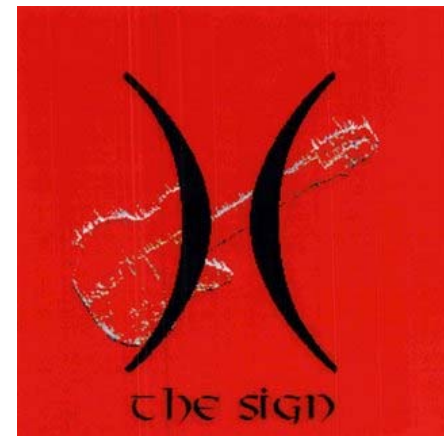


*Medinol stent*

- Registrant claimed the word "stents" had been "overlooked" when the SOU form was completed; it didn't intend to commit fraud.
- "the appropriate inquiry . . . is not into the registrant's subjective intent, but rather into the objective manifestations of that intent."
- Registrant's motion to amend denied.
- Registration void in its entirety.

# *Hurley Int'l LLC v. Volta (2007)*

- Extends *Medinol* to Applications.
- *Application* thrown out because Australian Applicants had not used their mark on all recited services at the time of filing.
- Lack of attorney, ill health not excuses.
- Obligated to investigate thoroughly the validity of their claim.



# Fraud Summarized?

A verified or sworn statement **regarding the use of a mark** had better be true. False statements will not be readily excused. Lack of legal advice, misunderstanding of the statutory requirements, language difficulties, and/or clever wordplay will not provide a defense to a charge of fraud. Nor will the (wholly expected) assertion of lack of fraudulent intent.

# Consequences?

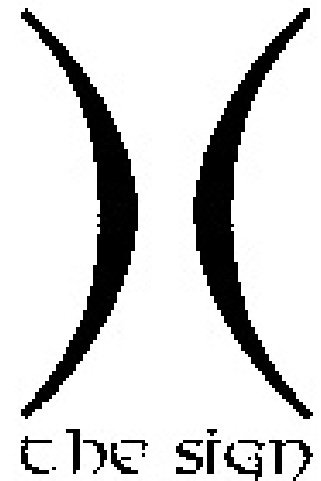
- The application or registration is rendered void *in its entirety*.
- How bad is that? The applicant or registrant loses the *constructive first use* date, which may be a problem particularly re ITUs.
- The issue of fraud may prove to be a significant problem for foreign applicants (Secs. 44 and 66) who do not hire US counsel.

# Can a Potential Fraud be Fixed?



# *Hurley Int'l LLC v. Volta (cont.)*

Significantly, the Board noted (in *dictum*) that "a misstatement in an application as to the goods or services on which a mark has been used does not rise to the level of fraud where an applicant amends the application prior to publication. See *Universal Overall Co. v. Stonecutter Mills Corp.*, 154 USPQ 104 (CCPA 1967)."





# *Kipling Apparel v. Rich*

- Not precedential and *dictum*:
- "Prior to publication, applicant had an opportunity to remedy the matter because a misstatement in an application as to the goods or services on which a mark has been used does not rise to the level of fraud where an applicant amends the application prior to publication."



# *Hachette Filipacchi v. Elle Belle*

- The ELLE BELLE mark was never used on men's or children's clothing.
- Registration cancelled.
- Poor English of registrant's president no excuse.



# *Hachette Filipacchi v. Elle Belle*

- Registrant's attempt to amend the registration after the cancellation was initiated was given no effect: cannot cure a fraud that was committed on the PTO.
- But the Board went on to note that it was *not considering* the issue of whether an amendment to a registration filed *prior to commencement of a cancellation proceeding* would cure or remove fraud.

# Common Law Fraud

- A false representation of
- a material fact,
- knowingly made,
- with intent to deceive, which was
- relied upon by the injured party
- to his/her/its detriment.

# Truth or Consequences?

- TTAB seemed to say that without reliance by the PTO there cannot be fraud on the PTO. So correction prior to publication avoids fraud (assuming innocence). Make sense?
- But even if a false declaration regarding use is not "fraud" on the PTO, should it be dubbed a "false oath" that requires refusal of the application? Isn't there also reliance by third parties? Does the TTAB mean it when it says that false declarations will not be tolerated? And how can fraud possibly be cured after registration?

# "Fraudit" Time?

- Is it time to review pending use-based applications to see if any corrections need be made? YES
- Is there time to check a file after receiving notice of publication and before actual publication?

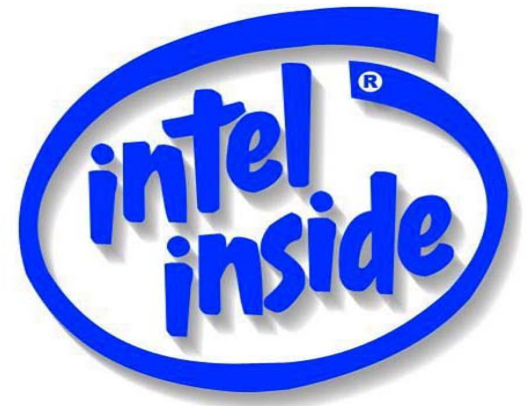
# Fraud for Thought?

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- Would it be better to file ITUs in the future?
- How about a change in terminology? Is the term "fraud" too harsh?
- How about a system of fines and a warning on the notice of publication?

# *Bona Fide* Intent

- *Intel Corp. v. Emery* [not precedential].
- Attempted to register IDEAS INSIDE for 200 products, from anoraks to wrestling uniforms.
- Applicant failed to provide "real life facts," like documentation.





# *Emeny* Territory?

- Two interesting questions:
  - Intel withdrew its claims for likelihood of confusion and dilution. How did it still have standing to oppose?
  - What does this portend for foreign applicants under Sections 44 and 66, who must state a *bona fide* intent to use in their filings?

# 2(e)(4) Surname Refusals

- Standard TTAB Analysis:
  - How rare is the surname?
  - Does the surname have any other recognized meaning?
  - Does anyone associated with Applicant have that surname?
  - Does the mark have the “look and feel” of a surname?:

# 2(e)(4) Surname Refusals

- *In re Joint Stock Company "Baik."*
- Reversal of refusal of BAIK for vodka.
- Judge Seeherman, concurring, questioned the relevance of the "look-and-feel" factor:



# 2(e)(4) Surname Refusals

- "Whether the surname at issue rhymes with another surname or differs from another surname by a letter or two should not be decisive on the issue of registration." The question should be, how many people have the same surname and may want to use the mark?"

# 2(e)(4) Surname Refusals

- The same question may be asked regarding whether it makes any difference whether someone with the surname BAIK, or any other rare surname, has achieved notoriety? Does the Board's 2004 precedential decision in *In re Gregory*, 70 USPQ2d 1792 (TTAB 2004) make sense?

# 2(e)(4) Surname Refusals

- In *Gregory* the Board deemed the mark ROGAN to be primarily merely a surname, based in large part on the notoriety of former PTO Commissioner James Rogan.

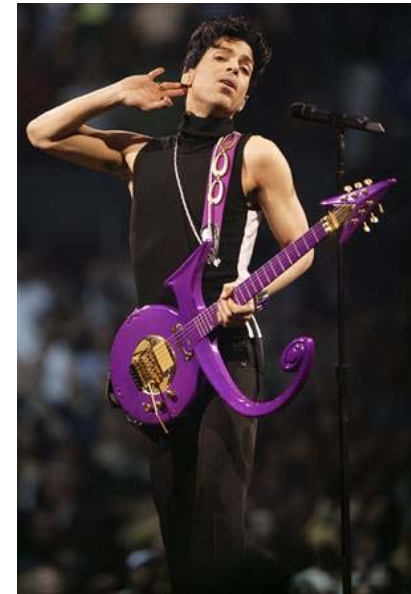


# 2(e)(4) Surname Refusals

- Also, should it matter that someone associated with Applicant has the surname?
- Aren't the key factors: rareness and other meaning?
- But what if there were no other meaning? The Board would be left to decide based only upon rareness: e.g., the number of hits in the phone directory. Would the Board want to set some numerical threshold?

# Functionality

- *Saint-Gobain Corp. v. 3M*
- Particular shade of purple for sandpaper.
- 3M failed to show "that there is no competitive need for others to use the color purple and that its deep purple color is not functional."





# Guess Who?



# Lights Out for Leo?



# 2006 TTAB Order

- In July 2006, Stoller was sanctioned for his "misuse of the TTAB's procedures" by filing more than 1,800 requests for extension to oppose (from Nov. 2005).
- Stoller was "holding up thousands of trademark applications in an attempt to coerce applicants to license, i.e., 'rent,' trademarks to which" he has not "demonstrated any proprietary right."
- Extensions vacated, oppositions dismissed, and Stoller himself banned forever from seeking any extensions.

# 0 for 2007

- In March 2007, in the *Pure Fishing* litigation in Chicago, the court ordered cancellation of 34 STEALTH registrations.
- The PTO cancelled the registrations in June.



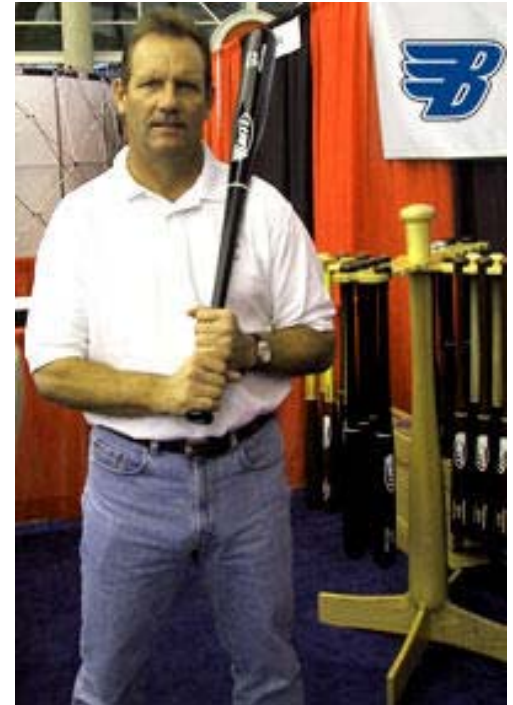
# 0 for 2007



- Also in March 2007, the Chicago federal court enjoined Stoller from filing any new action without prior leave of the court.

# 0 for 2007

- In July, the 7<sup>th</sup> Circuit affirmed a judgment in favor of George Brett and brothers, and the award of attorney's fees, observing that "were there a Hall of Fame for hyperactive trademark litigators, Stoller would be in it."





# 0 for 2007

- In August, the Trustee in Bankruptcy sold all of Stoller's trademark rights to the Society for the Prevention of Trademark Abuse, established by attorney Lance Johnson.



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# THE END?